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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/933,837	08/22/2001	Daniel Schutzer	CITI0233	7284
75127 7590 12/17/2008 KING & SPALDING LLP (CITI CUSTOMER NUMBER) ATTN: GEORGE T. MARCOU 1700 PENNSYLVANIA AVENUE, NW SUITE 200 WASHINGTON, DC 20006				
EXAMINER				
MILEF, ELDA G				
ART UNIT		PAPER NUMBER		
3692				
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Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary

Application No.

09/933,837

Applicant(s)

SCHUTZER, DANIEL

Examiner

Elda Milef

Art Unit

3692

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☐ Responsive to communication(s) filed on 9/23/2008.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-33 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-33 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☐ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO/SB/08)
- 4) ☐ Interview Summary (PTO-413)
- 5) ☐ Notice of Informal Patent Application
- 6) ☐ Other: _____

DETAILED ACTION

Claim Rejections - 35 USC § 112

The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

1. Claims 1-27 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Claim 1 recites the limitation "credit account" in line 8. There is insufficient antecedent basis for this limitation in the claim.

Claims 2-27 are rejected because of their dependency to the rejected claims.

Claim Rejections - 35 USC § 101

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

2. Claims 1 and 28 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

Regarding claims 1 and 28, software, programming, instructions or code not claimed as encoded on computer-readable media are descriptive material per se and are not statutory because they are not capable of causing functional change in a computer. When such descriptive material is recorded on some computer-readable medium it becomes structurally and functionally interrelated to the medium and will be statutory in most cases.

Furthermore, software, programming, instructions or code not claimed as being computer executable are not statutory because they are not capable of causing functional change in a computer. In contrast, when a claimed computer- readable medium encoded with a computer program defines structural and functional interrelationships between the computer and the program, and the computer is capable of executing the program, allowing the program's functionality to be realized, the program will be statutory. See MPEP § 2106.01 [R-6].

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

3. Claims 1-9, 13-18, 23-33 are rejected under 35 U.S.C. 103(a) as being unpatentable over Foster (US Patent No. 6,332,134) in view of Barbara et al. (US PG. Pub. No. 2002/0016769).

Re claim 1: Foster discloses:

receiving payment instructions electronically from the first party by a third party;
determining whether the first party has an existing checking account and credit card account with the third party; ("the present invention includes apparatus for use by a cardholder for conducting a financial transaction between the cardholder and a

merchant, wherein the cardholder makes a purchase from the merchant using credit established at a financial institution...combining information about the selected item and the merchant identifier with cardholder information...wherein a request to pay is created, and means for transmitting the request to pay to the financial institution.")-see col. 3 lines 11-23;

carrying out the instructions, the instructions directed at satisfying an obligation to the second party by the first party wherein the instructions comprise:

if the first party has the checking account or a credit card account with the third party by debiting directly from the first party's existing checking account or billing the credit card account -col. 4 lines 54 to col. 5;

if the first party does not have an account with the third party, establishing an account for use in the electronic transaction; integrating financial services in satisfying the obligation of the first party to the second party-("cardholder makes a purchase from a merchant using credit established at a financial institution.")see col. 3 lines 1-39; cols. 2-5; and ("The cardholder establishes an account with the card company to obtain credit which may be used to make financial transactions, such as purchasing goods...")-see col. 5 lines 4-12; and ("the card company may be a credit card company, a bank, a credit union, or other financial institution...)-see col. 4 lines 58-67.

Foster does not specifically disclose wherein satisfying the obligation further comprises placing a payment in satisfaction of the obligation in a holding account solely for retrieval via an automated teller machine (ATM) by the second party. Barbara however, teach ("An embodiment of the present invention enables the recipient 14 to

receive a payment from another person, such as customer 10, and to use the payment for shopping 44 or to withdraw the payment in cash 46 at an ATM for a fee.")-see para. 59 and ("access card that is provided...allows the user to withdraw funds from the transaction account...at a self-service financial transaction terminal, such as an automatic teller machine (ATM)")-see para. 19. It would have been obvious to one having ordinary skill in the art at the time the invention was made to modify Foster to specifically include the recipient to receive payment from a customer and withdraw the payment in cash at an ATM as taught by Barbara in order to accommodate needs of different customers.

Re claim 2: Foster discloses the merchant agreeing to accept payment from the card company via an ACH, which may perform bank to bank transfers and that the transfer of funds may occur in several ways, such as wiring funds directly to the merchant's account. -see col. 7 to col. 9, line 12. Foster does not explicitly disclose wherein the second party receives payment via an automated teller machine. Barbara however, teach ("An embodiment of the present invention enables the recipient 14 to receive a payment from another person, such as customer 10, and to use the payment for shopping 44 or to withdraw the payment in cash 46 at an ATM for a fee.")-see para. 59 and ("access card that is provided...allows the user to withdraw funds from the transaction account...at a self-service financial transaction terminal, such as an automatic teller machine (ATM)")-see para. 19. It would have been obvious to one having ordinary skill in the art at the time the invention was made to modify Foster to

specifically include the recipient to receive payment from a customer and withdraw the payment in cash at an ATM as taught by Barbara in order to accommodate needs of different customers.

Re claims 3,4: Foster discloses:

wherein the first and second party individually select their preferred method of payments in terms of timeliness of payment – see col. 5 lines 16-63; wherein the electronic transaction occurs via the Internet-see col. 4 lines 36-50;

Re claim 5: Foster discloses wherein the third party is a bank-see col. 4 lines 54-62;

Re claims 6,7,8: Foster discloses wherein the first party establishes a relationship with the third party, by providing the third party information regarding a preexisting account with a separate institution used by the first party; wherein the separate institution accepts an electronic debit; wherein the third party debits the preexisting account via Automated Clearing House (ACH) debit -see col. 10 lines 24-32.

Re claim 9: Foster discloses wherein the first party makes payment into an account by using a credit card and the third party receives the credit card payment, wherein the third party is a merchant acquiring bank.-see col. 12 to col. 13 line 4.

Re claim 13, 14: Foster discloses wherein the first party establishes a line of credit with the third party.-see cols 3 and 5; wherein the third party has experience with the first part and is willing to assume a risk.-see col. 2 lines 56-65 (validation of parties involved in transaction) and col. 5 (establishment of account and registration of cardholder); cols. 7-8 (CardFort System); and col. 4 lines 54-67.

Re claims 15, 16 ,17: Foster does not specifically disclose wherein the first party and the second party have accounts with the third party further comprising: transferring funds internally between the accounts. Barbara however, teaches a financial institution which has recipient and customer source accounts; wherein one of the accounts of the second party is a direct deposit account; a credit card account-see figure 1 and related text and pars. [0055,0056,0060]. It would have been obvious to one having ordinary skill in the art at the time the invention was made to modify Foster to specifically include that the customer and recipient have accounts with the third party (financial institution); wherein the recipient's accounts can be a deposit account or a credit card account as taught by Barbara in order to facilitate the making of payments over the Internet.

Re claim 18: Foster does not specifically disclose wherein the financial services includes an overdraft protection. Barbara however, teaches overdraft protection-see para. 72. It would have been obvious to one having ordinary skill in the art at the time the invention was made to modify Foster to specifically include a financial service providing offering overdraft protection as taught by Barbara in order to prevent the consumer from having to pay overdraft charges incurred when the balance of an account becomes negative.

Re claim 23, 24: Foster discloses wherein the financial services includes account information protection; and wherein the first and second party do not have access to the other party's account information.-see col. 2 lines 26-39.

Re claims 25-27: Foster does not explicitly disclose placing a payment to the

second party into a holding account wherein the second party is notified of the payment via email; wherein the second party is provided with an access code to retrieve funds from an ATM. Barbara however, teaches a transaction account to hold money designated for a recipient, wherein the second party is notified via email; and wherein the recipient is provided an access card number-see pars. 18-20; 57; 58-68. It would have been obvious to one having ordinary skill in the art at the time the invention was made to modify Foster to explicitly include a transaction account for funds designated for a recipient, email notification to the recipient that funds are available, and the recipient provided with an access card number in order to retrieve funds from an ATM as taught by Barbara in order to provide a method for on-line payments which utilizes a transaction account as a hub and allows the funds to flow easily from one account to another and enables easy access of funds for both the customer and recipient.

Re claims 28, 30-31, 33: Further a system would have been necessary to perform the method of previously rejected claims 1, 3, 4, and 9 and are therefore rejected using the same art and rationale.

Re claims 29 and 32: Further a system would have been necessary to perform the method of previously rejected claims 2, 26 and are therefore rejected using the same art and rationale.

4. Claims 10-12 are rejected under 35 U.S.C. 103(a) as being unpatentable over Foster in view of Barbara as applied to claim 9 above, and further in view of Balto (Balto, David A., "Creating a Payment System Network: The Tie That Binds or an Honorable Peace?", The Business Lawyer. Chicago: May 2000. Vol. 55, Iss. 3; pg. 1391, 18 pgs.).

Re claims 10,11: Foster and Barbara do not disclose that the transaction is "on-us" and that credit card association fees are passed on to the second party. Balto however teaches that VISA offers to waive interchange fees for merchants.-see p. 8 para. 7; also see pp.2-3. It would have been obvious to one having ordinary skill in the art at the time the invention was made to modify Foster and Barbara to include credit card companies such as VISA waiving interchange fees charged to merchants as taught by Balto in order to attract merchants and encourage merchants to adopt its standards for Internet transactions.

Re claim 12: Foster discloses waiting to ensure funds are available to the third party prior to releasing any funds to the second party; -see cols. 3; 7;8.

5. Claims 19-22 are rejected under 35 U.S.C. 103(a) as being unpatentable over Foster in view Barbara as applied to claim 1 above, further in view of Bowen (Bowen, Cathy. "Behind the Spree in Payments for C2C". Credit Card Management; Apr 2000; 13, 1; pg. 28).

Re claims 19-22: Foster and Barbara do not specifically disclose wherein the

financial services includes insurance coverage on purchased items and escrow service. Bowen however, teaches insurance coverage see p. 34, col. 3, para. 2 and escrow service p. 30-32. It would have been obvious to one having ordinary skill in the art at the time the invention was made to modify Foster and Barbara to specifically include escrow service and insurance coverage on purchased items as taught by Bowen in order to provide buyers and sellers with a fair degree of security in preventing fraudulent transactions and reimbursement to unsatisfied buyers.

Response to Arguments

6. Applicant's arguments filed 9/23/2008 have been fully considered but they are not persuasive.

Regarding the applicant's argument that Foster and Barbara fail to teach or suggest establishing an account for use in at least the electronic transaction, the applicant's attention is directed to col. 5 lines 5-12 wherein Foster discloses "The cardholder establishes an account which the card company to obtain credit which may be use [sic] to make financial transactions, such as when purchasing goods or paying invoices."

Regarding the applicant's suggestion that Barbara fails to teach or suggest a holding account for the purpose of retrieval by the second party via an ATM. The applicant's attention is directed to paragraph [0020] wherein Barbara teaches "the user can fund the transaction account with funds withdrawn form the designated source account such as the designated credit card account or one or more of the designated

deposit accounts of the user. The funds residing in the user's transaction account are held, for example, in a save for later portion of the account for accumulating funds and/or a held money portion of the transaction account for funds designated by the user for a payment which has not been picked up by the recipient", and "An embodiment of the present invention enables the recipient 14 to receive a payment from another person, such as customer 10...or to withdraw the payment in cash 46 at an ATM for a fee." [0059].

Regarding claims 10-12 and 19-22, in response to applicant's arguments against the references individually, one cannot show nonobviousness by attacking references individually where the rejections are based on combinations of references. See *In re Keller*, 642 F.2d 413, 208 USPQ 871 (CCPA 1981); *In re Merck & Co.*, 800 F.2d 1091, 231 USPQ 375 (Fed. Cir. 1986).

Conclusion

7. Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the

shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Elda Milef whose telephone number is (571)272-8124. The examiner can normally be reached on Monday -Friday 9:00 am to 5:00 pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Kambiz Abdi can be reached on (571)272-6702. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/Kambiz Abdi/
Supervisory Patent Examiner, Art Unit 3692

Elda Milef
Examiner
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